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S E C R E T SECTION 01 OF 02 JERUSALEM 001487

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NEA FOR FRONT OFFICE; NSC FOR ABRAMS/SINGH/WATERS; BRUSSELS
FOR LERNER

E.O. 12958: DECL: 07/18/17

TAGS: ECON ETRD KPAL PGOV PREL PTER KWBG IS

SUBJECT: PALESTINIAN LEADERSHIP WANTS STATUS QUO ON GAZA
CROSSINGS

REF: JERUSALEM 1455

Classified By: Consul General Jake Walles, Reasons 1.4 (b) and (d).

¶11. (S) Summary. PA President Mahmoud Abbas (Abu Mazen) and Prime Minister and Minister of Finance Salam Fayyad informed Consul General on July 17 that they do not support at this time increasing throughput at Gaza crossings beyond humanitarian assistance and commercial food shipments. Abu Mazen also indicated that he wants Rafah to remain closed and welcomed a proposal to transport Palestinians stranded in Egypt through Netzana crossing between Egypt and Israel and then through the Erez crossing in northern Gaza. While continuing to seek PA assistance in loosening the current crossing closure regime, Palestinian business leaders, particularly those in Gaza, are becoming increasingly critical of the official PA position. End Summary.

Continue Limits on Thoughtput

¶12. (S) In separate July 17 meetings meeting with the Consul General, PA President Mahmoud Abbas (Abu Mazen) and Prime Minister Salam Fayyad voiced their support for the continued flow of humanitarian assistance (food, medicines and water) and commercial food shipments into Gaza, but oppose the inclusion of any additional products at this time. Abu Mazen said that the Kerem Shalom and Sufa crossings, along with conveyor belts at Karni/al-Mintar, should continue to be used for humanitarian assistance and commercial food shipments only, as has been the case in recent weeks. Prime Minister Fayyad took the same view in a separate meeting with the Consel General.

Infrastructure Project Needs

¶13. (S) In reply to the Consul General's question about raw materials for infrastructure projects in Gaza, Abu Mazen indicated that the PA will consider project needs on a case-by-case basis. Abu Mazen said that he did not object to the transfer of materials for a specific sewage treatment project in Beit Lahiya, but is not prepared to go farther at this time. Fayyad also mentioned this project separately. Neither Abu Mazen nor Fayyad identified any other project in immediate need of raw materials.

Keep Rafah Closed

¶14. (S) Abu Mazen stated that he wants the Rafah crossing to remain closed. He welcomed a proposal to transport

Palestinians stranded in Egypt through Netzana crossing between Egypt and Israel, and then through the Erez crossing in northern Gaza. Abu Mazen said he believes the Egyptians have asked, and will continue to press, the GOI to open Rafah crossing, despite PA and Israeli opposition. He said that he has heard reports that Hamas members among the stranded had managed to travel to Gaza through tunnels under the Philadelphi corridor. He concurred with the Consul General's assessment that, if these reports are true, then bad people have succeeded in entering Gaza while those without influence or funds are left waiting.

Crossing Responsibilities

¶ 15. (S) Fayyad reported that PLO Chief Negotiator Erekat will soon have little to do with crossings, as these responsibilities are being transferred to the Ministry of National Economy, to which the Crossings Committee will be "anchored." He added that he is still trying to identify the appropriate GOI counterparts on crossings and other issues. He said he wants clear contacts and clear channels of communication with the GOI.

Private Sector Complaints

¶ 16. (C) Palestinian business leaders continue to seek PA assistance in loosening the current crossing closure regime. In a World Bank-hosted meeting July 12, Gazans asserted that current combined throughput barely meets daily basic food needs, so the survival of Gaza's private sector depends on the immediate reopening of the Karni/al-Mintar crossing. Business representatives said they feared that, if the

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closure regime continues, the 350,000-400,000 Gazans currently sustained by the private sector will soon join the 1.1 million Gazans already dependent on donor assistance. Several of the Gaza participants voiced frustration with what they described as multiple unproductive meetings and urged that immediate action. Several opined that the most serious obstacle to reopening Karni/al-Mintar may be "Ramallah," i.e. Abbas and the PA government.

WALLES